



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-143]

Freight Rail Coupler Systems and Certain Components Thereof from the People's

Republic of China: Final Affirmative Determination of Sales at Less-Than-Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) determines that freight rail coupler systems and certain components thereof (freight rail couplers) from the People's Republic of China (China) are being, or are likely to be, sold in the United States at less-than-fair value (LTFV) during the period of investigation, January 1, 2021, through June 30, 2021.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Kabir Archuletta, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2593.

SUPPLEMENTARY INFORMATION:

Background

On March 15, 2022, Commerce published in the *Federal Register* the *Preliminary Determination* in this investigation.¹ The deadline for the final determination in this investigation is May 23, 2022.

On April 11, 2022, we issued a post-preliminary decision memorandum addressing a scope issue raised in the context of this and the companion countervailing duty investigation, in

¹ See *Freight Rail Coupler Systems and Certain Components Thereof from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less-Than-Fair Value*, 87 FR 14511 (March 15, 2022) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

which we preliminarily found that it was unnecessary to alter the scope stated in the *Initiation Notice*.² We received case briefs addressing this preliminary scope decision from two importers of subject merchandise, Strato, Inc. (Strato) and Wabtec Corporation (Wabtec), on April 18, 2022,³ and rebuttal comments from the petitioner on April 22, 2022.⁴

We received no comments or case briefs addressing any of the other findings in the *Preliminary Determination*; therefore, there is no Issues and Decision Memorandum accompanying this notice.

Period of Investigation

The period of investigation is January 1, 2021, through June 30, 2021.

Scope of the Investigation

The products covered by this investigation are freight rail coupler systems and certain components thereof from China. For a complete description of the scope of this investigation, *see* the appendix to this notice.

Scope Comments

In Commerce's *Preliminary Determination*,⁵ we set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope) in scope case briefs or other written comments on scope issues. As noted above, the petitioner and two interested parties, Strato and Wabtec, commented on the scope of the investigation as it appeared in the *Initiation Notice*⁶ and *Preliminary Determination*.⁷ For a summary of the product coverage comments and rebuttal comments, and an analysis of all comments received, *see* the final scope memorandum issued

² See Memorandum, "Antidumping and Countervailing Duty Investigations of Freight Rail Coupler Systems and Certain Components Thereof from the People's Republic of China: Post-Preliminary Scope Decision Memorandum," dated April 11, 2022; *see also* See *Freight Rail Coupler Systems and Certain Components Thereof from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 86 FR 58864 (October 25, 2021) (*Initiation Notice*).

³ See Strato's Letter, "Strato Scope Case Brief," dated April 18, 2022; and Wabtec's Letter, "Case Brief On Post-Preliminary Scope Decision," dated April 18, 2022.

⁴ The petitioner is the Coalition of Freight Coupler Producers. See Petitioner's Letter, "Rebuttal Brief," dated April 25, 2022.

⁵ See *Preliminary Determination*, 87 FR 14513.

⁶ See *Initiation Notice*, 86 FR 58869.

⁷ See *Preliminary Determination*, 87 FR 14513-14.

concurrently with this final determination.⁸ For the reasons discussed in the final scope memorandum, Commerce is not modifying the scope language as it appeared in the *Initiation Notice*. See the final “Scope of the Investigation” in the appendix to this notice.

China-Wide Entity and Use of Adverse Facts Available (AFA)

For the purposes of this final determination, consistent with the *Preliminary Determination*,⁹ we relied solely on the application of AFA for the China-wide entity, pursuant to sections 776(a) and (b) of the Tariff Act of 1930, as amended (the Act). Further, because no companies are eligible for a rate separate from the China-wide entity, we continue to find that all exporters of Chinese freight rail couplers are part of the China-wide entity. No interested party submitted comments on the *Preliminary Determination*. Thus, we made no changes to our analysis or to the China-wide entity’s dumping margin for the final determination. A detailed discussion of our application of AFA is provided in the *Preliminary Determination*.¹⁰

Combination Rates

Because no Chinese exporters qualified for a separate rate, producer/exporter combination rates were not calculated for this final determination.

Final Determination

The final estimated weighted-average dumping margins are as follows:

Exporter/Producer	Estimated Weighted-Average Dumping Margin (percent)	Estimated Weighted-Average Dumping Margin Adjusted for Export Subsidy Offset(s) (percent)
China-Wide Entity	147.11	116.70

Disclosure

Because Commerce continues to find that all Chinese exporters of freight rail couplers are part of the China-wide entity and continues to rely solely on the application of AFA for the China-wide entity, there are no calculations to disclose for this final determination.

⁸ See Memorandum, “Final Scope Memorandum,” dated concurrently with, and hereby adopted by, this notice.

⁹ See *Preliminary Determination* PDM at 6-9.

¹⁰ *Id.*

Continuation of Suspension of Liquidation

As a result of our *Preliminary Determination* and pursuant to section 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of subject merchandise as described in the “Scope of the Investigation” section entered, or withdrawn from warehouse, for consumption, on or after March 15, 2022, which is the date of publication of the *Preliminary Determination* in the *Federal Register*, at the cash deposit rate indicated above.

Pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), we will instruct CBP to require a cash deposit for such entries of merchandise equal to the amount by which the normal value exceeds the U.S. price as follows: (1) for all Chinese exporters of subject merchandise, the cash deposit rate will be equal to the estimated dumping margin established for the China-wide entity; and (2) for all third country exporters of subject merchandise, the cash deposit rate is also the cash deposit rate applicable to the China-wide entity. These suspension of liquidation instructions will remain in effect until further notice.

If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we intend to issue an antidumping duty order and continue to require a cash deposit of estimated antidumping duties for such entries of subject merchandise in the amounts indicated above, in accordance with section 736(a) of the Act. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated, and all estimated duties deposited as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 735(d) of the Act, we will notify the ITC of our final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or

threatened with material injury, by reason of imports of freight rail couplers from China no later than 45 days after our final determination.

If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded or canceled, as Commerce determines to be appropriate. If the ITC determines that such injury does exist, Commerce intends to issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

Notification Regarding Administrative Protective Order (APO)

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

This determination is issued and published in pursuant to sections 735(d) and 777(i) of the Act, and 19 CFR 351.210(c).

Dated: May 23, 2022.

Lisa W. Wang,

Assistant Secretary

for Enforcement and Compliance.

Appendix

Scope of the Investigation

The scope of this investigation covers freight rail car coupler systems and certain components thereof. Freight rail car coupler systems are composed of, at minimum, four main components (knuckles, coupler bodies, coupler yokes, and follower blocks, as specified below) but may also include other items (*e.g.*, coupler locks, lock lift assemblies, knuckle pins, knuckle throwers, and rotors). The components covered by the investigation include: (1) E coupler bodies; (2) E/F coupler bodies; (3) F coupler bodies; (4) E yokes; (5) F yokes; (6) E knuckles; (7) F knuckles; (8) E type follower blocks; and (9) F type follower blocks, as set forth by the Association of American Railroads (AAR). The freight rail coupler components are included within the scope of the investigation when imported individually, or in some combination thereof, such as in the form of a coupler fit (a coupler body and knuckle assembled together), independent from a coupler system.

Subject freight rail car coupler systems and components are included within the scope whether finished or unfinished, whether imported individually or with other subject or non-subject components, whether assembled or unassembled, whether mounted or unmounted, or if joined with non-subject merchandise, such as other non-subject system parts or a completed rail car. Finishing includes, but is not limited to, arc washing, welding, grinding, shot blasting, heat treatment, machining, and assembly of various components. When a subject coupler system or subject components are mounted on or to other non-subject merchandise, such as a rail car, only the coupler system or subject components are covered by the scope.

The finished products covered by the scope of this investigation meet or exceed the AAR specifications of M-211, “Foundry and Product Approval Requirements for the Manufacture of Couplers, Coupler Yokes, Knuckles, Follower Blocks, and Coupler Parts” or AAR M-215 “Coupling Systems,” or other equivalent domestic or international standards (including any revisions to the standard(s)).

The country of origin for subject coupler systems and components, whether fully assembled, unfinished or finished, or attached to a rail car, is the country where the subject coupler components were cast or forged. Subject merchandise includes coupler components as defined above that have been further processed or further assembled, including those coupler components attached to a rail car in third countries. Further processing includes, but is not limited to, arc washing, welding, grinding, shot blasting, heat treatment, painting, coating, priming, machining, and assembly of various components. The inclusion, attachment, joining, or assembly of non-subject components with subject components or coupler systems either in the country of manufacture of the in-scope product or in a third country does not remove the subject components or coupler systems from the scope.

The coupler systems that are the subject of this investigation are currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting number 8607.30.1000. Unfinished subject merchandise may also enter under HTSUS statistical reporting number 7326.90.8688. Subject merchandise attached to finished rail cars may also enter under HTSUS statistical reporting numbers 8606.10.0000, 8606.30.0000, 8606.91.0000, 8606.92.0000, 8606.99.0130, 8606.99.0160, or under subheading 9803.00.5000 if imported as an Instrument of International Traffic. These HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of the investigation is dispositive.

